

January 21, 1949.

Memorandum to: Mr. Correa
Mr. Jackson

From: Mr. A. W. Dulles

Attached is a copy of a letter from Bob Blum which is self-explanatory.

I have examined a copy of the Eberstadt report on intelligence and do not feel that Hillenkoetter's reference to a divergence of views on administration is well founded. It is true that the chapter on intelligence in Volume II of the Eberstadt report (the chapter prepared largely by John Bross) indicated over-administration and too much administrative interference in certain operational matters. Here we reached approximately the same conclusions.

The Eberstadt report states in Section V(c):

"The present size of the Administrative Division seems excessive, particularly in light of requirements for an administrative staff in each of the offices in some of which security requires a large degree of independence. On the other hand, an organization as large as CIA requires a substantial amount of housekeeping, telephone service, maintenance of personnel records, etc. The problem is complicated by the fact that accommodations to house CIA centrally are not available and could only be constructed at a substantial cost and with considerable publicity. A certain amount of decentralization of CIA may be desirable for security reasons. CIA is spread amongst twenty-two separate buildings, including warehouses, all of which must be maintained and serviced separately. Moreover, CIA maintains a large number of field stations of one sort or another in various parts of the United States and abroad which are supplied by the administrative Division. Reduction of the administrative overhead is possible and desirable. There is some evidence of interference by administrative functionaries in matters of primarily operational concern. A certain amount of such interference is inevitable due to the fact that a Director will tend to entrust the enforcement of budgetary controls to his immediate administrative representatives. Too much interference of this sort is undesirable, but this is an administrative problem that must be solved internally."

AWD